

**MINUTES OF THE SPECIAL MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
BUDGET WORK SESSION**

June 14, 2010 – 4:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
.....

Present: Carl Ford, Chairman
Chad Mitchell, Vice-Chairman
Jon Barber, Member
Raymond Coltrain, Member
Tina Hall, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Ford convened the meeting at 4:00 pm.

Chairman Ford provided a brief history regarding Flag Day and he then provided the Invocation and led the Pledge of Allegiance.

Commissioner Coltrain moved, Commissioner Mitchell seconded and the vote to adopt the agenda passed unanimously.

1. PRESENTATION OF FY 2010-11 BUDGET REQUEST FROM ROWAN-SALISBURY SCHOOL SYSTEM / SUPERINTENDENT DR. JUDY GRISSOM

Rowan-Salisbury Schools (RSS) Superintendent Dr. Judy Grissom thanked the Board for the opportunity to review the RSS budget request and she then turned the presentation over to RSS Chief Financial Officer Tara Trexler.

Ms. Trexler provided a power point presentation and discussed how the funding per pupil at the state average was established. Ms. Trexler said the Board of Commissioners (BOC) and the Board of Education (BOE) had agreed to use lottery funds as revenue for bond debt in exchange for funding the schools at state average.

Ms. Trexler highlighted the County's funding appropriation and how it had decreased over the past several years. Ms. Trexler stated the County appropriation had dropped 7% below the state average.

Ms. Trexler said RSS was cut \$10 million for 2009-2010 by the state. Ms. Trexler said there was also a local cut due to the flat funding that did not support the mandatory increases for locally funded staff and programs. Ms. Trexler said there was an increase in the retirement match percentage and an increase in employer health insurance premiums. Ms. Trexler said the school system did not have any discretion with the items and were required to pay the increases.

Ms. Trexler highlighted cuts for the 2009-2010 budget stating 137 positions were cut and reduction of hours/months of employment for additional staff was implemented. Ms. Trexler reviewed other cuts made.

Ms. Trexler said the BOE voted in March 2010 to request state average funding knowing it would not cover the anticipated state cuts. Ms. Trexler said funding at state average would equal a \$3.3 million increase. Ms. Trexler said at this time, the state budget was still unknown; however, if the approved state budget was settled between the House and Senate versions, RSS may need \$3.1 million to cover mandatory local increases and to replace the loss of state funding. Ms. Trexler said that amount would not include any of the \$10.5 million losses already incurred with the cuts made in 2009-2010.

Ms. Trexler clarified school travel as follows:

- Workshop expenses and travel for 2009 - \$917,000
- Travel excluding workshops for 3,200 employees - \$244,000 (includes travel for itinerate teaching staff between assigned schools, school personnel for making trips for banking and other operations, school staff attending meetings at central office, central office staff traveling to schools and other office locations)
- Staff development for 3,200 employees - \$673,000 (includes training, materials, registrations and related travel, and consultants brought in to avoid additional travel expenses)

Ms. Trexler said the true travel associated with workshops would only be a portion of the \$673,000.

Ms. Trexler said for 2009-2010, the amount spent only for travel, excluding staff development travel, was \$187,000. Ms. Trexler said workshop registrations with related travel included was \$403,000. Ms. Trexler said most of the staff development expenditures were required and paid for with Title 1 federal funds since the school system was included in district improvement. Ms. Trexler said those funds could only be used for staff development.

Ms. Trexler said the BOE desired the County to resume its commitment to fund students at the state average; however, another solution would be to meet the BOE halfway in providing an additional \$3 million from either fund balance or additional revenues, if available.

Ms. Trexler said mandatory increases on locally paid salaries, primarily for retirement and insurance, would require an additional \$500,000 to prevent additional local cuts.

Ms. Trexler highlighted further potential cuts the BOE would have to make if the BOC was not willing to fund at the state average or at least meet the BOE halfway.

Ms. Trexler said it would be financially unsound for the BOE to appropriate a large amount of its fund balance due to anticipated state cuts for the following year.

In conclusion, Ms. Trexler said the BOE was requesting the County fund students at the per pupil state average or meet the BOE halfway with its funding request of \$3.3 million.

Dr. Grissom said she felt the school system had started to make progress in that the dropout rates were down, SAT scores were up, etc. Dr. Grissom emphasized that the school system wanted to work with the BOC in an effort to do what was best for the students and the education system.

Commissioner Hall commented that it was a tough budget year and that the County was facing a lot of cuts. Commissioner Hall said it was a daunting task to realize the school system was asking for a substantial increase. Commissioner Hall referred to the request to meet the BOE halfway and she pointed out that the funds in RSS fund balance had already been appropriated by the County Commission. Commissioner Hall referred to previous budgets and suggested the BOE could possibly make additional cuts concerning certified staff supplements or technology facilitator positions. Commissioner Hall asked if the BOE had discussed cutting the supplements. Ms. Trexler responded to her knowledge the BOE had not discussed the option; however, she added that the BOE would be in charge of prioritizing once the amount of cuts was known.

Commissioner Hall noted the purpose of the supplements was to draw good employees to the system and she said being competitive with staff was not as critical as trying to hold onto staff.

Commissioner Hall said over the last three (3) to four (4) years approximately 424 students were lost and she compared the total to that of the size of an elementary school. Ms. Trexler said the county was following the state trend with

declining enrollment. Ms. Trexler said there was very little in the RSS local budget allocated out to the schools based on per pupil.

Commissioner Coltrain asked if the \$500,000 mandatory increase was included in the \$3.3 million request and Ms. Trexler responded yes.

Commissioner Coltrain said he would be willing to support using fund balance to meet the BOE halfway.

Commissioner Barber discussed classroom size and the difference between a class size of 20 and a class size of 40. Commissioner Barber said the BOE and staff would determine what cuts, if any, were needed and he stated that an expense was only reoccurring if the County decided to fund it again. Commissioner Barber said he supported the school system's attempt to get through another year.

Dr. Grissom confirmed to Commissioner Barber that \$9 million in grants had been written and received for the current fiscal year.

Commissioner Barber asked what amount the county was budgeting to pay off bond debt at a certain level each year before lottery funds were received. Rowan County Finance Director Leslie Heidrick said the total debt service for schools was approximately \$10 million per year. Ms. Heidrick said 2007 was the first year lottery proceeds were available and the projected amount to be received that year was \$2.6 million; \$2.5 million was budgeted.

Commissioner Barber said the lottery proceeds had helped the County maintain a good fund balance and Ms. Heidrick confirmed the statement.

Commissioner Barber said the \$1.7 million in the undesignated fund balance could be used to help meet the schools halfway, help Rowan Cabarrus Community College (RCCC) and other items. Commissioner Barber pointed out an additional revenue stream would be coming through July 1 of next year from Duke Energy's capital improvements. Commissioner Barber said the additional revenue stream could be \$1 to \$2 million and would help replenish fund balance.

In response to a query from Chairman Ford, Dr. Grissom said state law determined the classroom sizes for K-3 grades. Dr. Grissom said if classroom sizes were to increase, it would be in grades 4 and up.

Chairman Ford said the school enrollment was down and per pupil spending was more than all neighboring counties, with the exception of Cabarrus. Chairman Ford said the County had dipped into the fund balance last year and this year. Chairman Ford said next year there would be a tax increase or more cuts. Chairman Ford said the Board was trying to cut now to ease cuts that might occur next year.

Dr. Jim Emerson, Chairman of the Board of Education, thanked the Commissioners, Dr. Grissom and Ms. Trexler. Dr. Emerson said the Board of Education supported Dr. Grissom and Ms. Trexler.

Chairman Ford called for a recess at 5:00 pm.

Chairman Ford reconvened the meeting at 5:10 pm.

2. PRESENTATION OF FY 2010-11 BUDGET REQUEST FROM ROWAN CABARRUS COMMUNITY COLLEGE / PRESIDENT DR. CAROL SPALDING

Dr. Carol Spalding, Rowan Cabarrus Community College (RCCC) President, thanked the Board for the opportunity to discuss the budget.

Dr. Spalding introduced Board of Trustees Chair, Ray Paradowski, who in turn recognized several members of the RCCC leadership team in attendance. Mr. Paradowski extended thanks to the Board for its support on behalf of the thousands of citizens who had benefited from attending RCCC. Mr. Paradowski said RCCC was present to ask the Board to assist in providing jobs to the community by supporting education.

Mr. Paradowski discussed the total student population and the 40% enrollment growth. Mr. Paradowski said RCCC was responsible for retraining and further educating individuals who had lost their jobs due to loss of industry.

Mr. Paradowski said the state was responsible for funding the operations of the academic programs of community colleges and the County was responsible for funding buildings, property and maintenance. Mr. Paradowski said as facilities aged, major repairs and replacements were needed.

Dr. Spalding said facilities were aging and that several commissioners had walked the campus with her to see the immediate needs of the college. Dr. Spalding said the college did not usually ask for much and compared to the nine (9) counties around Rowan, RCCC had the lowest cash support from the County.

Dr. Spalding discussed the needs of the college including leaking roofs, restoring crumbling sidewalks and staircases, updating labs and relieving overcrowded technical program spaces. Dr. Spalding said the number one need when she had arrived was the infrastructure for technology and the college raised over \$1 million for that project. Dr. Spalding pointed out RCCC also raised \$1.2 million in grants this year. Dr. Spalding requested the same rate of \$10.83 per square foot that the County provided to RSS for buildings, pointing out that RCCC buildings were open year round from 7 am to 11 pm. Dr. Spalding said she was not happy with the financial arrangement for the early college program and she requested funds to support the program.

Dr. Spalding referred to a handout and addressed the immediate facilities needs for the north campus including an elevator, and replacing roofs and sidewalks.

Commissioner Mitchell asked how Dr. Spalding calculated the \$10.83 per square foot figure. Dr. Spalding said the figure was calculated by using the square footage of the college and the amount of funding provided. Dr. Spalding said the figure was compared to the amount provided to RSS.

Commissioner Mitchell asked County Manager Gary Page how much it would cost to replace/repair the elevator in the J. Newton Cohen, Sr. Rowan County Administration Building. Mr. Page replied it would cost \$103,000 to upfit the elevator.

Dr. Spalding discussed the problems with the current elevator and said the estimate provided was for a newly installed elevator, which would not fit in the existing space. Dr. Spalding said the elevator needed to serve three (3) buildings.

Commissioner Coltrain asked Dr. Spalding to prioritize the items listed on pages 2 and 3 of the handout. Dr. Spalding responded:

1. Roofs
2. Walkway between library, student center
3. Staircases (at least one)

Commissioner Hall asked Dr. Spalding to review the early college program and asked how many RSS students finished the program. Dr. Spalding said 69 students finished. Dr. Spalding said the students were doing well and she described the teacher/student ratio as amazing. Dr. Spalding said the issues with the program were related to the facilities. Dr. Spalding said continued growth would be impacted by the available classroom space.

Commissioner Hall asked if RCCC's board had considered taking some of the needs to the voters. Mr. Paradowski said the only issue approached in discussions had been looking at bond issues in the future. Mr. Paradowski said RCCC would need the Board's help in that regard.

Dr. Spalding said RCCC was undergoing a strategic planning process and would want to think through all the issues and confer with the Commissioners on the possibility of a bond to include needs for the next ten (10) to fifteen (15) years.

Commissioner Coltrain asked what percentage of the operating costs came from the fee charged to students who attend the college and how much funding had been obtained for grants and scholarships to help students pay the fees. Dr. Spalding said the cost per credit hour was \$50 and an increase was proposed in the legislature. Dr. Spalding said the tuition paid approximately 10-15% of the cost of education, depending on other numbers. Dr. Spalding said most students

qualified for Pell Grants which meant they were very needy. Dr. Spalding said if a student received a Pell Grant, they would also be eligible for scholarship money from RCCC. Dr. Spalding said individuals who do not qualify for Pell Grants and cannot pay for tuition are targeted for RCCC scholarships. Dr. Spalding said there was a big waiting list for scholarship money.

Commissioner Mitchell asked if the \$379,050 requested to maintain the new classroom building was based on the \$10.83 figure and Dr. Spalding said yes.

In response to a query from Commissioner Mitchell, Dr. Spalding discussed the classrooms being used for the early college students.

Commissioner Mitchell said RCCC might be in the position to at least make an effort to present the college's needs to the county's voters and get their approval on the renovations and expansions.

Dr. Spalding asked if Commissioner Mitchell meant between now and November 2010. Commissioner Mitchell replied between now and the time that you believe these items will completely fail and that you would have to stop student use of the requested facility needs.

Commissioner Mitchell said the County did not have \$3.8 million to fix the pressing needs at RCCC, some of which would be significant safety needs in the very near future. Commissioner Mitchell said a referendum on the ballot in November might be an option. Commissioner Mitchell felt the RCCC Board of Trustees needed to look at the possibility and come up with the recommendation on their own.

Mr. Page said he had come to the same conclusion when he read the budget request. Mr. Page suggested RCCC do an assessment and approach the Board for approval of a bond referendum. Mr. Page said another option would be to raise taxes one cent for three (3) years. Mr. Page said the Board would have to agree with the assessment for the bond referendum and would have to be in agreement with their strategy.

Mr. Paradowski said every request could be looked at as a safety item. Mr. Paradowski said regarding the elevator, there were complaints that students were out in the elements to get to the elevator, and it took a long time to get to classes. Mr. Paradowski said the elevator situation was without a question a safety issue. Mr. Paradowski said the deteriorating steps for fire exits were also a safety issue. Mr. Paradowski continued down the list of requests and explained how each item were safety issues.

Chairman Ford thanked RCCC staff for the budget presentation.

Chairman Ford called for a recess at 6:15 pm.

Chairman Ford reconvened the meeting at 6:30 pm.

3. REVIEW & DISCUSSION OF PROPOSED FY 2010-11 BUDGET

Chairman Ford said there were several items to discuss and the Board could take straw votes today in order to allow staff the time to finalize the budget. Chairman Ford said the Board would start the discussion with RSS.

Commissioner Barber asked for clarification that schools typically received some sales tax revenue from food sales and now some statutes had changed to allow counties to keep those funds instead of giving them to the schools.

Mr. Page deferred to Ms. Heidrick, who explained that the statutes dictated for Article 40, 30% of the funds received from the sales tax would be restricted for school construction and for Article 42, 60% would be restricted for school construction. Ms. Heidrick said with the new formula, the appropriation for next year would change approximately \$400,000.

Commissioner Barber inquired about the \$600,000 in lottery proceeds returned by the Governor. Ms. Heidrick said it was not a windfall and explained the Board had budgeted what was anticipated to be received in lottery proceeds for that year and when the State decided to withhold one-quarter the county did not change the budget. Ms. Heidrick said the County hoped other revenues would take place. Ms. Heidrick said in September the auditors allowed the County to accrue it back to the year it should have been received, which had helped the County to meet budget.

Commissioner Mitchell asked if Ms. Heidrick was estimating the school system to receive \$400,000 less than in 2010. Ms. Heidrick said it was actually \$600,000 with \$400,000 due to the sales tax. Ms. Heidrick explained that the County was not projected to meet budget this year and \$200,000 was due to the economy. Ms. Heidrick said the school system was going from \$1.8 million this year to \$1.2 million in capital money next year.

Commissioner Mitchell said he did not think the Board could meet RSS halfway; however, he thought the Board could allocate \$690,000 which was the true hold harmless figure.

Commissioner Coltrain suggested using a portion of the \$1.7 million for operational needs for the EDC, Ruffy Holmes Senior Center and for one-time capital needs such as repairs at Rowan Museum and the roofs at RCCC.

Commissioner Mitchell suggested in order to avoid confusion, the Board should come to an agreement concerning the school amount and then move on to the other needs.

Commissioner Hall inquired how Kannapolis City Schools were able to avoid asking for an increase. Mr. Page said he had conversations with Dr. Byerly, Kannapolis Superintendent, and explained that an increase in enrollment led to increased funding.

Commissioner Hall said she did not understand the difference in operating costs between RSS and Kannapolis City Schools. Commissioner Hall said the enrollment for RSS had decreased and yet an increase was being requested. Commissioner Hall noted the presentation from RSS had not been provided ahead of time and the Board had to absorb the information as it was being presented.

Commissioner Hall discussed the request from RSS and said the County was being asked to use its fund balance. Commissioner Hall pointed out that RSS had \$6 million of county dollars in its fund balance and that the BOE could decide how to use those dollars.

Commissioner Hall asked if it was fair to keep funding the schools at the same level when they had lost students. Mr. Page explained that RSS had lost funding with the shift in the number of students and that in order to hold RSS harmless, the County would give them \$190,000.

Commissioner Hall inquired if Ms. Heidrick verified the figures for the health insurance premium increase for RSS and Ms. Heidrick said no.

Commissioner Hall said the Board was being asked to make a decision without giving Ms. Heidrick any time to verify the figures.

Commissioner Mitchell said if the amount turned out to be a fraudulent figure, he would vote to reduce the number when the Board met next week.

Commissioner Coltrain asked if there was any way to appropriate the funds with the stipulation that they would be one-time funds. Mr. Page said the Board could try; however, he was unsure it would be binding without a contract.

Commissioner Mitchell said he was willing to appropriate \$700,000 because he felt it was a sustainable number the County could maintain with the Duke Energy taxes that would be coming in next year.

Commissioner Mitchell reiterated that appropriating \$690,000 would be the County "meeting our end of the bargain" without taking over federal and state responsibilities. Commissioner Mitchell said the argument had been made that the number of students decreases; therefore, the number of teachers should. Commissioner Mitchell said if the students were all at the same school, all in the same grade you could do that, but with losing one or two here and there it was

impossible to do so. Commissioner Mitchell said if Ms. Trexler and Ms. Heidrick verified the \$500,000 figure, he was confident with the amount.

Commissioner Hall referred to the portion of Ms. Trexler's presentation that pertained to travel expenses and asked if it had been necessary for one of the BOE members to travel to San Diego this past year.

Commissioner Barber asked Commissioner Hall if she had ever inquired as to why the travel had occurred. Commissioner Hall responded, "I've got the floor". Commissioner Barber said he had the answer concerning the travel and Commissioner Hall repeated, "I've got the floor".

Commissioner Hall reviewed some of the travel expenses for RSS and said there were items she was not sure the taxpayers should be asked to fund. Commissioner Hall expressed disappointment that she had not heard the school system discuss keeping the teachers in the classroom and the level of instruction where it should be.

Commissioner Mitchell felt several of the slides showed the potential cuts that would happen if the budget decreases occurred. Commissioner Mitchell said in regards to travel, he felt the BOE would have to make some decisions when final budgets were presented. Commissioner Mitchell said workshops may come from state monies and the County's decision would not make a difference. Commissioner Mitchell said the BOE may want to look at the \$4 million in stipends.

Commissioner Hall said there was an item in membership dues and fees over \$91,000 that could possibly be cut and she said there were possibly other areas the BOE may want to look at. Commissioner Hall asked Commissioner Barber if he wished to add his comments at this time.

Commissioner Barber responded by saying he could either answer the question or that Commissioner Hall could direct her earlier question to the people involved. Commissioner Hall asked Commissioner Barber to answer.

Following a brief exchange between Commissioners Barber and Hall, Chairman Ford called for a recess at 7:40 pm.

Chairman Ford reconvened the meeting at 7:46 pm.

Chairman Ford suggested the Board recess the meeting until tomorrow (June 15, 2010).

Commissioner Barber apologized to Commissioner Hall for interrupting her while she had the floor.

Commissioner Barber moved to meet tomorrow, June 15, 2010, at 4:00 pm. Commissioner Coltrain seconded and the motion passed unanimously.

Chairman Ford recessed the meeting at 7:47 pm.

Chairman Ford reconvened at 4:00 pm on June 15, 2010 and opened the meeting with prayer.

Chairman Ford said the County Manager had provided a handout containing a list of budget issues for discussion.

Commissioner Coltrain said Ms. Trexler had also provided the Board with the information that had been requested by Commissioner Hall.

Chairman Ford said the Board would begin with discussions with RSS and that the Board should try to limit discussions to fifteen (15) minutes for each item. Chairman Ford said the Board would be taking nonbinding straw votes today.

Rowan-Salisbury Schools

Commissioner Mitchell moved to add \$690,000 to the BOE current expense appropriation. The motion died for lack of a second.

Commissioner Mitchell moved to add \$190,000 to the BOE current expense appropriation. Commissioner Hall seconded the motion.

Commissioner Barber said he would like to wait to see what the state's final budget was and what might happen with the lottery proceeds.

The motion passed 3-2 with Commissioners Barber and Coltrain dissenting.

Chairman Ford moved the order of discussion for the Economic Development Commission (EDC) and Charlotte Regional Partnership (CRP) since Robert Van Geons had not yet arrived to answer the Board's questions.

Chamber of Commerce

Commissioner Barber moved to adopt the proposed amount of \$4,000. Commissioner Coltrain seconded the motion.

Commissioner Mitchell questioned the extra \$4,000 and Mr. Page explained it was a \$1,500 net increase and the additional funds were to help with declining membership.

Commissioner Hall asked why the Chamber was the only nonprofit organization to receive an increase. Mr. Page said he was able to cut \$2,000 from other agencies, which would cover the \$1,500 increase for the Chamber. Mr. Page noted if more cuts were needed next year, all nonprofits would be cut 50%.

Chairman Ford expressed appreciation for the Chamber of Commerce but said he was not in favor of providing the increase in order to stay in line with the cuts provided to other organizations.

The motion passed 3-2 with Commissioners Hall and Ford dissenting.

Economic Development Commission and Charlotte Regional Partnership

Economic Development Director Robert Van Geons discussed the Economic Development Commission (EDC) fund balance and how it had been “spent down” at the Board’s request. Mr. Van Geons said Rowan’s EDC was the smallest EDC in the region. Mr. Van Geons expressed hope that the Board would look favorably on the request for additional funding as there had not been an increase in EDC funding since 2004-2005.

Mr. Van Geons provided a power point presentation outlining the primary benefits of the Charlotte Regional Partnership (CRP).

Mr. Van Geons said the County was in front of deals it would not normally be in front of without the CRP.

Mr. Van Geons said it would take him two (2) additional staff members and approximately \$150,000 to be able to provide the same services as the CRP. Mr. Van Geons emphasized that the County could not buy what it receives for the price of membership with the CRP.

Chairman Ford asked if there was any more news on possible Rowan Job Initiative (RJI) funds. Mr. Van Geons said RJI was willing to continue to collaborate; however, they were not under a consensus to supplant the EDC’s budget.

In response to Chairman Ford, Mr. Van Geons said he could not do what CRP does for the \$40,362 in membership dues.

Commissioner Barber asked if CRP would “forget” Rowan County if the County withdrew its membership. Mr. Van Geons said he did not know as no county had ever withdrawn from CRP.

Commissioner Barber asked if there would be a negative perception from the Department of Commerce if the County pulled out of CRP. Mr. Van Geons said he did not think the Department of Commerce could view the withdrawal favorably if everyone else stayed in and the County could not justify a reason.

Commissioner Mitchell moved to maintain membership in CRP. Commissioner Barber seconded and the motion passed unanimously.

Commissioner Mitchell moved to increase funding to the EDC by \$49,848. Commissioner Barber seconded the motion.

Commissioner Hall inquired on the amount of funds spent marketing Summit Corporate Center. Mr. Van Geons responded that approximately \$100,000 had been spent on marketing and physical development. Mr. Van Geons said several marketing groups were used for various projects such as water system improvements, signage, etc.

Commissioner Hall asked if the EDC Board had asked for additional funds from municipalities. Mr. Van Geons said additional commitments were gained from the City of Kannapolis, Town of Landis, Town of China Grove and Town of East Spencer. Mr. Van Geons said the City of Salisbury had not yet been asked for an increase.

Commissioner Hall asked if the EDC Board gave any consideration to the fact that this was a tight budget year and the EDC was already being funded at \$289,000. Mr. Van Geons said the EDC Board was not unanimous on whether to make the request and without an increase the EDC would have to look at cutting personnel and services.

Chairman Ford said the funding request was for an increase and he could not support the request today; however, he could possibly change his mind by Monday.

Upon being put to a vote, the motion on the floor passed 3-2 with Commissioners Hall and Ford dissenting.

Ruffy Holmes Senior Center

Commissioner Barber said he had requested for the Board to consider the additional \$20,000 for the Ruffy Holmes Senior Center. Commissioner Barber said last year he had requested the additional \$20,000 as a one-time appropriation; however, he was now recommending continuing the funding since the additional funds would help further budget reductions, personnel layoffs, prohibit server reduction and elimination of services.

Commissioner Barber moved to extend for one more year an additional \$20,000 for Ruffy Holmes Senior Center. Commissioner Coltrain seconded the motion.

Commissioner Hall said knowing the County would be faced next year with a potential tax increase held her back on funding these worthwhile programs.

Commissioner Mitchell said he would support the request to keep programs and services at the Senior Center for one more year.

Chairman Ford said his problem was that the expense was supposed to be a one-time appropriation last year.

Upon being put to a vote, the motion passed 3-2 with Commissioners Ford and Hall dissenting.

Rowan Museum

Commissioner Mitchell asked for a description of the roof's condition.

Mr. Page said the complete repairs totaled \$150,000 and the cost for just the boxing and painting was \$25,000. Mr. Page said the Museum Board was told they would be responsible for the building's interior and the County would cover the exterior. Mr. Page said the roof was old and needed to be replaced; however, the County was not receiving calls daily about patching it. Mr. Page said he did get phone calls regarding the appearance on the outside where paint had peeled.

Commissioner Coltrain said if the repairs were needed the County would not be able to get them done any cheaper than right now.

Chairman Ford said if there were no leaks or structural problems with the roof, the Board could hold off for now.

Mr. Page said there were some leaking issues; however, they were not like the issues in some of the other buildings. Mr. Page said the request was a one-time use for a portion of the \$1.7 million.

Commissioner Mitchell asked if the building would be in worse shape structurally next year if the roof was not fixed now and Mr. Page said yes.

Commissioner Mitchell moved for \$75,000 to be taken as far as possible.

Commissioner Hall asked if \$75,000 would replace the roof. Mr. Page said he would put the repairs out to bid and make the funds go as far as possible.

Commissioner Coltrain said if the roof was leaking and the wood underneath was rotten, the entire amount should be appropriated. Commissioner Coltrain said appropriating the full amount did not mean that all the funds would be used.

Commissioner Hall seconded and the motion passed unanimously.

Airport Maintenance

Commissioner Mitchell moved to privatize airport maintenance. Commissioner Barber seconded the motion.

Commissioner Mitchell noted that privatization would generate a savings of \$50,000 annually.

Chairman Ford reiterated that Rowan was the only county providing the service.

Commissioner Mitchell noted that the transition should be made by August 31, 2010.

The motion passed unanimously.

Chairman Ford called for a recess at 5:10 pm.

Chairman Ford reconvened the meeting at 5:20 pm.

Withdraw Membership from COG

Commissioner Mitchell moved to formalize the County's withdrawal from Centralina Council of Governments (COG). The motion was seconded by Commissioner Hall.

Commissioner Coltrain questioned the reason for the withdrawal from COG since the annual dues were \$34,122 and in the 2008-2009 fiscal year, the County received \$2.769 million in return services.

Commissioner Mitchell said as he understood the savings would be \$17,000 due to the county still paying for the services which yielded that return.

Commissioner Coltrain said the statement was true for the aging programs; however, it was not true for the workforce development programs.

Commissioner Coltrain discussed the Board's previous concerns with COG's involvement with annexation. Commissioner Coltrain said COG had never taken a policy position on any annexation. Commissioner Coltrain said he had verified this statement via an email, which he then read. Commissioner Coltrain said as he recalled, the reason for withdrawing was due to COG's position on annexation and according to the statement he just read, COG had no position on annexation.

Commissioner Coltrain discussed the electrification grant provided to Derrick's Truck Stop. Commissioner Coltrain said the Board should not penalize the citizens of the county by not taking advantage of the services provided.

Commissioner Hall said she knew Commissioner Coltrain was the liaison to COG and she noted that COG was not the only entity responsible for the electrification project. Commissioner Hall said the Cabarrus-Rowan MPO had a lot to do with the project and she credited Phil Conrad with the MPO for his work.

Commissioner Hall said she had discussed her concerns about annexation with Al Sharp of COG. Commissioner Hall said COG made an effort to adjust their policies on annexation; however, COG did participate in the annexation process helping municipalities. Commissioner Hall discussed the most recent annexation attempt by the City of Salisbury for the Highway 150 corridor. Commissioner Hall said she had recommended that COG not be involved in any controversial issues between two (2) government agencies and Mr. Sharp's response was that COG would notify counties of an annexation attempt.

Commissioner Hall referred to a WSOC-TV news story regarding travel expenses for COG. Commissioner Hall said she did not think that Rowan County should be backing that kind of organization.

Commissioner Coltrain said it did not mean COG was in favor of annexation because its staff presented information on the issue.

Chairman Ford said Cabarrus County was withdrawing from COG and had suggested partnering with Rowan County to form an agency. Chairman Ford said the towns of Spencer and New London were also thinking about withdrawing.

Commissioner Coltrain said the Town of Spencer and Stanly County had changed their minds about withdrawing.

Chairman Ford agreed that COG had strayed from its mission.

Commissioner Coltrain reiterated some of the benefits of COG and stated he had previously shared the information with the Board.

Commissioner Barber said while there was a potential savings of \$17,000 he could not support withdrawing from COG. Commissioner Barber said he was against forced annexation. Commissioner Barber said he could not support withdrawing from COG due to their close working relationship with senior services, the Ruffy Holmes Senior Center, workforce development and community and economic development. Commissioner Barber reviewed the funding and benefits of the Workforce Development Commission.

Commissioner Mitchell said for years organizations had asked COG to get back to its core mission. Commissioner Mitchell said he realized COG had established a blue ribbon committee to work on making some changes and he hoped that at some point COG made it worthwhile for Rowan to rejoin. Commissioner Mitchell said there were obvious problems with COG due to the number of governments withdrawing their membership.

Chairman Ford said the blue ribbon panel had been discussed for a long time; however, nothing was done until organizations began threatening to pull out.

The motion to withdraw membership from COG passed 3-2 with Commissioners Coltrain and Barber dissenting.

EARLY DISCOUNT ON TAXES PAID FOR JULY/AUGUST

Commissioner Barber moved to not accept the early discount.

Mr. Page said there was one change to be made. Mr. Page said the information provided listed the decrease incorrectly for July and it should be 1.5% to 1% and for August it should be 1% to .5%.

Commissioner Mitchell seconded the motion.

Mr. Page explained that some counties do not provide a discount for paying taxes early. Mr. Page said in order to help with cash flow, counties offer a discount in July and August as an incentive for taxpayers to pay early. Mr. Page said three (3) years ago the discount was a positive business decision; however, the County was not currently gaining the same return for depositing the funds early. Mr. Page said the citizens could still receive a discount; however, lowering the amount of the discount would save the County \$240,000. Mr. Page said the County was not breaking even.

In response to Commissioner Hall, Mr. Page said the funds would have to be added to the budget.

Commissioner Mitchell said, in effect, it would be a tax increase and if the discount were reduced the County would be getting \$240,000 more from taxpayers than received last year.

Mr. Page said the Board was not required to offer the discount.

Commissioner Coltrain said he understood that the County could not continue to pay the citizens one-half percent more than what was being received.

Commissioner Mitchell said overall, the reduced discount would be equivalent to raising the tax rate .25 cents due to the increased revenue the County would receive. Commissioner Mitchell said he was willing to take the loss for one more year in order to keep the program as is.

Upon being put to a vote, the motion to continue offering the discount passed 4-1 with Commissioner Coltrain dissenting.

ROOF REPLACEMENTS FOR RCCC

Commissioner Coltrain moved approval of the first roof replacement for RCCC. Commissioner Barber seconded and the motion passed unanimously.

Commissioner Coltrain moved approval of the second roof replacement for RCCC.

Commissioner Hall asked if the second roof replacement was critical and Mr. Page responded yes.

Commissioner Hall seconded and the motion passed unanimously.

RCCC ELEVATOR

Commissioner Coltrain asked if the RCCC elevator would require the walkway and stairs to be replaced along with the elevator. Mr. Page said all of the ADA requirements would have cost \$1.9 million which included one (1) of the two (2) elevators. Mr. Page said the request for \$349,000 was the second elevator, not included with the walkway area cost of \$1.9 million.

Commissioner Mitchell said his problem with supporting the elevator now was due to a comment made that it would be easier to install everything at once.

Commissioner Mitchell moved not to fund the elevator. Commissioner Coltrain seconded based on the information received and stressed the straw vote was not binding.

Commissioner Hall said RCCC had overwhelming needs and Mr. Paradowski's comments regarding the need for the elevator had stuck with her. Commissioner Hall said the Board may be able to stay within the budget and still appropriate funds for the elevator.

Commissioner Mitchell said he was willing to give RCCC the \$450,000 needed for the roofs and allow RCCC decide to how to use the funds.

Commissioner Coltrain asked for clarification from RCCC on the elevator request.

Commissioner Mitchell said the project could be added as a budget amendment because it would not be an ongoing project.

Upon being put to a vote the motion not to fund the elevator project passed unanimously.

(2) CPS EMPLOYEES FOR DSS

Commissioner Barber moved approval to fund two (2) additional CPS employees at a cost of \$69,449. Commissioner Hall seconded and the motion passed unanimously.

NEW DSS IMAGING SYSTEM

Commissioner Barber moved approval of a new DSS imaging system at a cost of \$138,100. The motion was seconded by Commissioner Hall.

Commissioner Mitchell said he preferred to wait until mid-budget year to see how things were going and that he would like to see the figures as to how much money would be saved. Commissioner Mitchell said it would not be a problem to add the item back to the budget.

Commissioner Barber suggested the Board could take the straw vote and not spend the money until December when more feedback could be obtained.

Commissioner Hall said the imaging system had helped employees with time and that she would support anything the Board could do to help DSS meet the needs of citizens.

Upon being put to a vote, the motion passed unanimously.

UPGRADE PUTT-PUTT COURSE AT DAN NICHOLAS

Commissioner Coltrain said he had requested for the Board to discuss upgrading the putt-putt course at Dan Nicholas Park. Commissioner Coltrain said Parks and Recreation Director, Don Bringle, had felt he could increase the revenues at Dan Nicholas Park and pay for the upgrade within five (5) years. Commissioner Coltrain said the park hosted the State Blind Putt-Putt Championship and Mr. Bringle thought at some point the County may be required to make the putt-putt course ADA compliant.

Commissioner Coltrain moved to fund the project even if funds had to be borrowed. The motion died for lack of a second.

RESCUE SQUAD

Chairman Ford said the Rescue Squad had withdrawn their request.

Commissioner Barber said the Rescue Squad had requested an increase to help with the cost of providing coverage for the southern portion of the County.

Commissioner Barber said he had suggested the Rescue Squad withdraw its request in order for a committee to review the call volume, cost for the calls, etc. Commissioner Barber suggested the committee could meet in July.

Commissioner Barber said the County had asked the Rescue Squad to cover the area and the Rescue Squad only wanted to recoup their costs.

Commissioner Coltrain inquired as to whether the call volumes and costs were considered before entering into the agreement. Commissioner Mitchell said the actual call volume did not match the estimated number of calls.

Chairman Ford said he was okay with a committee looking at the issue and that Frank Thomason, Emergency Services Director, should also be involved.

VEHICLE MAINTENANCE

Commissioner Barber moved to leave the vehicle maintenance service as is for now. Commissioner Coltrain seconded the motion.

Chairman Ford commented that changing vehicle maintenance would require start up costs even though it may save the County in the long run.

The motion passed unanimously.

Chairman Ford opened the floor for further comments regarding the budget.

Commissioner Barber said he had mentioned at a previous meeting that he would like for Human Resources to provide suggestions for special recognition for employees due to the affects of budget cuts on employees. Commissioner Barber provided a handout and said since the discussion was not on the agenda, he felt the Board needed time to digest the information. Commissioner Barber said he would like to add the discussion to the July 19, 2010 agenda for further discussion.

Commissioner Barber said he accepted the Board members philosophical differences on the budget items; however, he expressed concern that economic development was receiving more funds than education.

In response to Commissioner Coltrain, Ms. Heidrick said the total added to the budget was \$1,227,597 which included the match for Kannapolis City Schools for current expense. Ms. Heidrick confirmed those funds would come from the \$1.7 million, which was not undesignated at this time.

Commissioner Hall said the Board had taken straw votes and the \$1.7 million was not intended for the purposes it would be used for. Commissioner Hall said The Keith Corporation (TKC) had purchased some prime property at the Summit Corporate Center and they had not fulfilled their end of the bargain.

Commissioner Barber said the Board had previously discussed the County's surplus property, which was valued at \$4 million at the time. Commissioner Barber suggested the Board revisit the discussion in order to develop a plan to actively market those properties.

Chairman Ford said he did not have an issue with Commissioner Barber's suggestion on surplus property.

Commissioner Mitchell said the benefit of the \$1.7 million was to buy the property back from TKC and he thought there was a motivated owner actively paying taxes and trying to do something with the property.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 6:23 pm. The motion was seconded by Commissioner Coltrain and passed unanimously.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC
Clerk to the Board/Assistant to the County Manager